

DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

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FILE: B-171338

DATE: APR 29 1976 99002

MATTER OF: Arnold J. Bejot - Relocation Expenses -
Escrow Fee

DIGEST: Transferred employee sold his house at old duty station, but mortgage holder would not allow buyer to assume mortgage. Employee entered into escrow agreement whereby buyer was to make monthly mortgage payments into escrow account, and escrow agent was to then make actual mortgage payments. Employee may not be reimbursed for his share of cost of escrow agreement as agreement is solely for employee's convenience and is not directly related to sale itself.

This decision arises from a request for an advance decision, submitted by Ms. Jeannie A. Heckman, an authorized certifying officer of the United States Department of the Interior, Bureau of Reclamation, concerning the authority for reimbursing Mr. Arnold J. Bejot for an escrow fee incurred incident to the sale of his residence at his old duty station.

Under the authority of Travel Authorization 07658, dated December 12, 1974, Mr. Bejot was transferred from Grand Coulee, Washington, to Billings, Montana, reporting there on January 5, 1975. When Mr. Bejot sold his home at his old duty station, the bank holding the mortgage would not allow the buyer to assume Mr. Bejot's mortgage, and, apparently, no other financing was available. The sale was completed. Mr. Bejot remained liable for the mortgage, but the buyer agreed to make the payments. It was also agreed that, to facilitate making the monthly payments, an escrow account would be established.

An escrow agreement was entered into with the National Bank of Commerce of Seattle named as the escrow agent. The buyer would make monthly payments to the escrow account, and the escrow agent, in turn, would actually make the mortgage payments. Under the terms of the escrow agreement a charge of \$50 was levied to cover the cost of opening the account, which was to be paid by the seller, Mr. Bejot. Additionally a charge of \$18 per year was levied for the escrow service which, according to the escrow agreement, was to be paid by the buyer. A five percent sales tax (\$3.40) was levied on both charges for a total cost for the first year of

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\$71.40. Even though the agreement required the buyer to pay the yearly charge (\$18), it was paid by Mr. Bejot, and he is now seeking reimbursement of the entire amount.

Our decision B-171338, February 10, 1971, is cited in the submission, and we are asked if it is controlling in the instant case. In that case, reimbursement of the employee's share of an escrow fee was allowed where the fee was charged by the title company for handling the sale transaction itself. That is not the situation here. The escrow agreement here exists only for Mr. Bejot's convenience; it does not relate directly to the sale itself. The escrow agent here is substituted for Mr. Bejot in making the monthly payments to the mortgage company, and it acts as a conduit for the buyer's mortgage payments. There is nothing in the record to indicate that this method of making the mortgage payments is required by any relevant statute or regulation. The same result could be reached by having the buyer send the monthly payments to Mr. Bejot, with Mr. Bejot sending them on to the mortgage company. We know of no authority for allowing reimbursement of an expense such as this that is not directly related to the sale itself.

Accordingly, the voucher may not be certified for payment.

Paul G. Dembling

For the Comptroller General
of the United States